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THIS AGREEMENT is made among

(1) THE PERSONS whose names and addresses are set out in Schedule Part 1 (the "Founders" and individually a "Founder");

(2) THE PERSONS whose names and addresses are set out in Schedule Part 2 (the "Investors" and individually an "Investor"); and

(3) [ ] Limited a company registered in [ ]with registered number [ ] and having its registered office at [ ] (the "Company")

WHEREAS

(A) The Company has invited the Investors to make an investment into the Company (the "Investment") on the terms and conditions set out in this Agreement; and

(B) The Investors are willing to make the Investment on the terms and conditions set out in this Agreement.

NOW THEREFORE IT IS AGREED as follows:-

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement the following words and expressions shall, unless the context otherwise requires, have the following meanings:-

"Accounts" means the annual accounts of the Company for the period ended on [ ] , including the notes to those accounts and the associated directors' report;

"Act" means the Companies Act 1985 (as amended);

"Articles" means the new articles of association of the Company adopted on the date of Completion, in the agreed form, and as amended or replaced from time to time;

"the Board" the board of directors of the Company from time to time;

"the Board Minutes" means the minutes of a meeting of the board of directors of the Company in the form set out in of the Schedule Part 8;

“Business Plan” means the business plan of the Company as contained in the Disclosure Letter”;

"Commercial Know-How" means all information not at present in the public domain (including information contained in or arising from research, designs, flow charts, expressions, methodology, logic flows, specifications, drawings, component lists, manuals, all supporting documentation, lists and instructions in whatever form held) relating to computer hardware and Software;

"Company's Solicitors" means [ ]

"Completion Date" means the date of this Agreement for the performance of the obligations set out in Clause 3, and "Completion" means the performance of those obligations;

"Confidential Information" means information of a confidential or commercially sensitive nature (however stored) relating to the business, customers or financial or other affairs of the Company;

"Directors" means the directors of the Company from time to time;

"Disclosure Letter" means the disclosure letter (and the disclosure documents annexed thereto) dated of even date with this Agreement given by or on behalf of the Founders pursuant to this Agreement;

"Encumbrance" means and includes any interest or equity of any person (including, without prejudice to the generality of the foregoing, any right to acquire, option or right of pre-emption) or any mortgage, charge, pledge, lien or assignment or any other encumbrance priority or security interest or arrangement of whatsoever nature over or in the relevant property;

"Group" means the Company, any subsidiary, any holding company and any subsidiary or subsidiary undertaking of any holding company from time to time and "Group Company" shall have a corresponding meaning;

"holding company", "subsidiary", "subsidiary undertaking" shall have the respective meanings ascribed to them by the Act;

"Intellectual Property" means copyrights, trade marks, trade names, rights in logos and get-up, inventions, confidential information, trade secrets and know-how including Commercial Know-How, registered designs, design rights, patents, utility models, semi-conductor topographies, domain names, all rights of whatsoever nature in computer software and data, all rights of privacy and all intangible rights and privileges of a nature similar or allied to any of the foregoing, in every case in any part of the world and whether or not registered; and including all granted registrations and all applications for registration in respect of any of the same;

"Investor Director" means the person who shall be appointed as a non-executive director of the Company as provided in Clause 6.1;

"Investor Majority" means the holder or holders of at least 70% of the total nominal value of Shares held by the Investors;

"Protected Business" means the design, development and sale of the [ ];

"Remuneration" means the aggregate of salary, bonuses, payments in kind, ex gratia payments, commissions, pension contributions, participation in share options, profit sharing and incentive remuneration schemes, and any other benefit flowing to a person or anyone related to him, by reason of that person's employment, office or directorship in or of the Company or any member of its Group including but not limited to the provision of a company car;

"Shares" means the ordinary shares of one penny each in the capital of the Company;

"Taxation" means all taxes, duties, levies, imposts, charges and withholdings of any nature whatsoever, whether created or imposed in the United Kingdom or elsewhere, and includes:

(a) within the United Kingdom, income tax, corporation tax, advance corporation tax and amounts equivalent thereto, any liability under Section 601 of the Income and Corporation Taxes Act 1988, capital gains tax, value added tax, customs' duties (including import duties, excise duties), stamp duty, stamp duty reserve tax, inheritance tax, national insurance contributions, social security and any other forms of taxes, duties, levies, imposts, charges or withho1dings similar to or supplementing or replaced by or replacing the foregoing or any of them; and

(b) outside the United Kingdom, any liability to any taxes, levies, duties, imposts, charges and withholdings of any nature whatsoever, including (without limitation) taxes on gross or net income, taxes on profits or gains and taxes on receipts, sales, use, occupation, franchise, value added, wealth and personal property,

in all cases together with all related, incidental or supplemental penalties, charges, interest, fines and default surcharges;

"the Software" means [ ] (in both object and source code versions) developed or written or being developed or written by or on behalf of the Company or acquired or licensed to the Company and/or the Founders and all enhancements, improvements, replacement and derivative works and all supporting documentation related thereto;

"the London Stock Exchange" means any of London Stock Exchange plc, or other recognised investment exchange (as defined in section 285(1) of the Financial Services and Markets Act 2000) and their respective share dealing markets;

"the Schedule" means the schedule attached to this Agreement;

"Warranties" means the warranties set out or referred to in Clause 9 and Schedule Part 7;

"Written Resolution" means the written resolution in the form set out in Schedule Part 9;

Interpretation

1.2 Words and expressions defined in the Articles shall have the same meanings herein except in so far as expressly varied by or inconsistent with the provisions of this Agreement. In the event of any conflict between the provisions of this Agreement and the provisions of the Articles the provisions of this Agreement shall prevail.

1.3 Any reference to any provisions of any Act shall include any amendment, consolidation or re-enactment thereof from time to time provided that the liability of any party under this Agreement shall not be created or increased solely by reason of any such amendment, consolidation or re-enactment whether retrospective in its effect or not.

1.4 The Schedule and Recitals form part of this Agreement and have the same full force and effect as if expressly set out in their entirety in the operative part of this Agreement.

General references

1.4.1 In this Agreement, unless otherwise specified or the context otherwise requires:-

(a) words importing the singular shall include the plural and vice versa;

(b) words importing any gender shall include all other genders;

(c) a “person” includes any individual, firm, company or other body corporate, corporation, government, state or agency of state, trust or foundation, or any association, partnership or unincoporated body (whether or not having separate legal personality and wherever incorporated or established) or two or more of the foregoing;

(d) reference to a Clause or Recital is to a clause or recital of this Agreement;

(e) reference to the Schedule or Part is to the schedule or part to the Schedule to this Agreement;

(f) reference to a Paragraph is to a paragraph in the Schedule; and

(g) the "agreed form" in relation to any document means the form agreed between the parties to this Agreement and, for the purposes of

identification only, initialled by or on behalf of the parties.

1.4.2 Headings used in this Agreement shall not affect its construction or interpretation.

2 SUBSCRIPTION

The Investors shall subscribe for [ ] Shares on the terms and conditions hereinafter contained.

3 COMPLETION

3.1 Completion

Completion shall take place at the offices of [ ]immediately after the execution of this Agreement.

3.2 On Completion:

3.2.1 each of the Founders shall sign a Written Resolution of the Company in the form set out in the Schedule Part 9 in order to increase and reorganise the share capital of the Company, to grant the Directors authority to allot Shares as specified in the Written Resolution and to adopt the Articles;

3.2.2 the Investors shall subscribe for such number of the Shares at the price of £[ ] per share (being [ ] nominal and [ ] pence premium) as is set out in the Schedule Part 2 by application form accompanied by a cheque in favour of the Company in payment in full therefore.

3.3 Immediately after Completion, the Founders shall procure that:

3.3.1 a meeting of the Directors shall be held at which the business referred to in the Board Minutes shall be transacted and all documents and forms referred to therein shall be executed and signed;

3.3.2 the register of members of the Company shall be written up to reflect the subscription referred to in sub clause 3.2.2 and a definitive certificate in respect of the Shares shall be issued in favour of and delivered to each of the Investors.

3.4 The obligation of each of the Investors to subscribe for Shares shall be conditional upon the provisions of sub clause 3.2.1 and 3.3 being fully complied with and until such time the cheque referred to in sub clause 3.2.2 shall be held to the order of the Investors. If any of the said provisions are not fully complied with immediately after the execution hereof, the Investors may rescind this Agreement by giving notice in writing to the Company.

3.5 The Founders shall procure that within the time limits prescribed by statute those documents and forms referred to in the Board Minutes which require filing with the Registrar of Companies shall be so filed.

4 APPLICATION OF SUBSCRIPTION MONIES

Unless otherwise agreed in writing by all of the Investors, the subscription monies referred to in clause 3 shall be applied by the Company solely for the purposes specified in the Business Plan.

5 AGREED BUSINESS CONTROLS

5.1 Positive undertakings

Whilst and so long as any of the Investors hold any shares in the capital of the Company, the Company undertakes to each of the Investors (so far as it can legitimately bind itself) and the Founders (subject to their fiduciary duties and to law) severally undertake to each of the Investors, that they shall use their respective best endeavours following Completion (including by the exercise of their votes as directors of the Company and as shareholders of the Company) to ensure that the Group complies with each of the undertakings set out in Schedule Part 4 unless the prior written consent of an Investor Majority is received.

5.2 Negative undertakings

Whilst and so long as any of the Investors hold any shares in the capital of the Company the Company undertakes to each of the Investors (so far as it can legitimately bind itself) and the Founders (subject to their fiduciary duties and to law) severally undertake to the each of Investors that they shall use their respective best endeavours following Completion (including by the exercise of their votes as directors of the Company and as shareholders of the Company) to ensure that the Group complies with each of the undertakings set out in Schedule Part 5.

6 INVESTOR DIRECTOR AND INFORMATION

6.1 The Investor Director

6.1.1 Whilst and so long as any Investors hold Shares, an Investor Majority shall be entitled to appoint one person as an Investor Director.

6.1.2 Subject to Clause 6.1.3, the Company shall meet the reasonable travel expenses of the Investor Director for the purposes of attending meetings of the Board. The Investor Director shall not otherwise receive any remuneration from the Company whilst in office.

6.1.3 The Company shall only meet those travel expenses which relate to travel within the UK and shall be subject to a maximum of £200 (including VAT) per Board meeting.

6.2 **Information sharing**

The Investor Director shall be entitled to report back to the Investors on the affairs of the Company and to disclose such information concerning the Company as he shall reasonably consider appropriate to the Investors provided that (except to the extent such reporting or disclosure would breach his fiduciary duties or as required by law or by any appropriate regulatory authority) the Investor Director (except in the performance of his duties carried out on behalf of the Company) and the Investors shall not disclose any trade secrets or Confidential Information of the Company to any third party without the Company's prior written agreement, such agreement not to be unreasonably withheld or delayed.

7 **CONFIDENTIALITY**

7.1 Except:-

7.1.1 as permitted by Clause 6.2; or

7.1.2 as required by law or by any appropriate regulatory authority; or

7.1.3 as regards information which is publicly available (other than by reason of any wrongful disclosure of the same);

no party to this Agreement shall except with the prior written consent each of the Investors make any announcement concerning or otherwise disclose or divulge any information concerning any of the terms of this Agreement.

8. **FOUNDERS' UNDERTAKINGS**

Each of the Founders hereby severally undertakes with the Investors and the Company that for as long as they remain an employee, consultant or director of the Company, (save with the prior written consent of an Investor Majority):

8.1 they shall not be or become a director or executive officer of any other company (except a Group Company);

8.2 they shall comply with the terms and conditions of any contract of service or consultancy agreement which they have with the Company or any Group Company from time to time;

8.3 they shall not be concerned or interested in any business (other than holding shares in the Company or as holder of not more than 5% of the share capital of a quoted company); and

8.4 they shall use their best endeavours to ensure that the Company is at Completion and continues to be a “qualifying company” carrying on a “qualifying trade” for the purposes of the Enterprise Investment Scheme as contained in the Income and Corporation Taxes Act 1988

Part VII, Chapter III (as amended) and shall take all reasonable steps within their power to ensure that following Completion all necessary applications are made to the Inland Revenue for the grant of Enterprise Investment Scheme relief to the Investors.

9 WARRANTIES

9.1 The Founders hereby warrant to the Investors that, in relation to the Company, each of the warranties contained in Schedule Part 7 is true and correct.

9.2 The Warranties shall be deemed to be given immediately prior to Completion and shall continue in full force and effect notwithstanding Completion and notwithstanding any of the Founders ceasing to be a shareholder in the Company and are given subject to:

9.2.1 any matter expressly provided for under the terms of this Agreement;

9.2.2 the warranty limitations contained in Clause 10 hereof; and

9.2.3 any matter fairly disclosed in the Disclosure Letter.

9.3 No limitations or qualifications to the Warranties contained in Clause 10 or otherwise shall apply in the case of fraud or fraudulent concealment or wilful non disclosure by the Founders in which cases the Founders' liability shall be without limit.

9.4 In the case of a claim against the Founders in terms of the Warranties, no counterclaim or right of contribution or indemnity shall lie by the Founders against the Company or any of its employees.

10 LIMITATION ON AND TIMES FOR BRINGING CLAIMS

10.1 The total aggregate of liability of the Founders in respect of any and all claims under the Warranties shall not exceed the aggregate amount of the subscription by the Investors and no Investor shall be entitled receive compensation payment in excess of its subscription.

10.2 The Founders shall not be liable for claims unless the aggregate of all claims shall exceed £5,000, whereupon the Founders' liability shall extend to the whole and not the excess only of such claim or claims.

10.3 No claim in respect of the Warranties shall be admissible unless notice in writing giving reasonable details of the breach has been given by the Investors to the Founders not later than 6 months after the date on which the statutory accounts of the Company for the year ending [ ] are lodged at Companies House and unless legal proceedings shall have been served in respect of any such claim within 6 months of the Founders being notified of the claim.

10.4 No claim in respect of the Warranties shall be made by the Investors:-

10.4.1 to the extent such claim arises as a consequence of any law, rule or regulation of any government, governmental department, agency or regulatory body in the United Kingdom or elsewhere taking effect after the date hereof;

10.4.2 to the extent that such claim would not have arisen but for a voluntary omission or act of any Investor (other than that Investor enforcing its rights under this Agreement or under any other warranty, covenant or indemnity given by the Founders to the Investors) occurring after the date hereof;

10.4.3 to the extent that the fact or matter which could have given rise to such claim is fairly disclosed in the Disclosure Letter; and

10.4.4 to the extent that provision, reserve or allowance has been made in the Accounts.

11 RESTRICTIVE COVENANTS

Each of the Founders hereby severally undertakes with the Investors and the Company that they shall not while they are an employee, consultant or director of the Company or any Group Company and for a period of 12 months after ceasing to be an employee, consultant or director of the Company or any Group Company establish or be directly or indirectly interested in carrying on any Protected Business so as to compete with the Company provided that nothing contained in this Clause shall prevent the Founders from being engaged as employees in any business in the same or similar fields to the Company provided that in so doing they shall not directly or indirectly be involved in any Protected Business which competes with the Company.

12 COSTS AND EXPENSES

The Company shall pay its own and the Investors costs and expenses in relation to the negotiation, preparation and completion of this Agreement and all ancillary documentation.

13 GENERAL

13.1 Survival of obligations

Notwithstanding Completion each and every right and obligation of the parties under this Agreement shall, except in so far as fully performed at Completion, continue in full force and effect.

13.2 Successors

This Agreement shall be binding on the parties and their respective executors, personal representatives and successors whomsoever and, unless the context otherwise requires, references to the "Investors" and "Founders" shall include

references to such executors, personal representatives and successors.

13.3 **Assignation and Deed of Adherence**

13.3.1 Save as provided in Clause 13.3.2, no party shall be entitled to assign his or its rights or obligations under this Agreement without the prior written consent of all other parties.

13.3.2 Any party shall be entitled to assign the benefit of this Agreement to any person to whom it shall have transferred any Shares in the capital of the Company pursuant to and in accordance with the provisions of the Articles provided that such assignee shall enter into a Deed of Adherence substantially in the form set out in Schedule Part 6.

13.4 **Waivers and remedies cumulative**

13.4.1 The rights of each party under this Agreement:-

13.4.1.1 may be exercised as often as necessary;

13.4.1.2 are cumulative and not exclusive of its rights under the general law; and

13.4.1.3 may be waived only in writing and specifically.

Delay in exercising or non-exercise of any right is not a waiver of that or any other right.

13.5 **Amendments**

No amendment or variation of this Agreement shall be effective unless it is in writing and signed by or on behalf of each of the parties.

13.6 **Notices**

13.6.1 Any notice or other communication to be given under, or in connection with the matters contemplated by this Agreement shall be in writing and signed by or on behalf of the party giving it and shall be served by delivering it personally or sending it by pre-paid recorded delivery or registered post (or registered airmail in the case of an address for service outside the United Kingdom) or by facsimile to the address and for the attention of the relevant party set out below (or as otherwise notified by that party hereunder). Any such notice shall be deemed to have been received:-

13.6.1.1 if delivered personally, at the time of delivery;

13.6.1.2 in the case of pre-paid recorded delivery or registered post, 48 hours from the date of posting;

13.6.1.3 in the case of registered airmail, five days from the date of posting; and

13.6.1.4 in the case of fax, one hour after the transmission evidenced by the relevant completed transmission report.

Provided that if deemed receipt occurs before 9am on a business day the notice shall be deemed to have been received at 9am on that day and if deemed receipt occurs after 5pm on a business day, or on a day which is not a business day, the notice shall be deemed to have been received at 9am on the next business day.

13.6.2 The addresses and facsimile numbers of the parties for the purposes of Clause 13.6.1 are:-

Company

Address:

For the attention of:

Fax number:

Investors

[ ] at their designated address set out herein.

Founders

[ ] at their designated address set out herein.

13.6.3 For the avoidance of doubt notice given under this Agreement shall not be validly served if sent by e-mail.

13.7 **Further Assurance**

The Company and the Founders shall procure the passing of such resolutions, and shall execute such documents and waivers and generally do everything required to comply with their obligations under this Agreement and to vest the full benefit of this Agreement in the Investors.

13.8 **Entire Agreement**

Except as set out below, this Agreement and the Disclosure Letter hereby supersedes any prior written or oral agreements involving the Founders, the Investors or any of them and the Company.

13.9 **Governing Law and Jurisdiction**

13.9.1 This Agreement shall be governed and construed in accordance with the law of Scotland.

13.9.2 Each party hereby irrevocably submits to the non-exclusive jurisdiction of the Court of Session as regards any claim, dispute or matter arising out of or in connection with this Agreement and its implementation and effect.

IN WITNESS WHEREOF these presents together with the Schedule attached hereto on this and the preceding eleven pages are executed as follows:

SUBSCRIBED for and on behalf
of [ ] Limited by …………………………
at
on

....

before this witness

.... Witness

.... Full Name

.... Address

....

This is the Schedule referred to in the foregoing Investment Agreement among (1) the Founders (2) the Investors; and (3) the Company

SCHEDULE

Part 1

The Founders

Name and Address:-

Part 3

Share capital after Completion

Authorised share capital [ ] Ordinary Shares of [ ] each.

Issued share capital of [ ] Ordinary Shares of [ ] each.

Shareholder	Ordinary Shares of [ ]each

Part 4

Positive Undertakings

1 **Financial and business information**

1.1

1.1.1 the Company shall keep books of account and therein make true and complete entries of all dealings and transactions in relation to its business;

1.1.2 the Company shall provide each Investor, within 3 months of the end of each accounting reference period, copies of the accounts of the Company submitted to Companies House;

1.1.3 provide each Investor within 4 weeks of the end of each calendar month with unaudited management accounts for such month in the form as agreed by the Investor Director, rolling cash flow forecasts for a period of 12 months from the end of each month and with details of its order book at such date;

1.1.4 the Company shall provide each Investor with a quarterly report on the research and development on any Intellectual Property and Software in connection with the product or any other product being developed by the Company carried out by the Company and on any major contracts entered into by the Company in respect of the Software within 30 days of the end of each calendar quarter;

1.1.5 copies of the annual budget of the Company prepared in such form as the Investor Majority may reasonably require no later than 30 days prior to the date of commencement of the financial year to which it relates; and

1.1.6 the Company shall provide each Investor with copies of notices, agendas, minutes and other relevant documents relating to all general meetings of the Company and meetings of the board of directors of the Company.

1.2 In the event of the Company failing to provide the information required under this paragraph by the due dates, any Investor may appoint an accountant of its choice to prepare and as appropriate dispatch the information. All reasonable expenses incurred in relation to the same shall be borne by the Company.

2 **Meetings**

The Company will hold regular meetings of its Board not less frequently than 6 times per annum and on not less than 3 weeks prior written notice (at intervals of not more than 2 months) for the purpose of discussing its affairs or such other times and interval agreed with the Investor Majority from time to time.

3 Dividends

The Company shall procure that, for a period of 3 years from the date of execution of this Agreement, no dividends shall be distributed by the Company without the prior approval of an Investor Majority and then only to the extent agreed by them.

4 Management of the Company

The Founders and the Company undertake with the Investors that (save as otherwise provided or contemplated in this Agreement) they will ensure that (and it will procure that each of the other members of the Group will ensure that):

4.1.1 the Company carries on and conducts its business and affairs in a proper and efficient manner and for its own benefit and in accordance with the Business Plan;

4.1.2 the Company transacts all its business on arm's length terms;

4.1.3 the Company shall not enter into any agreement or arrangement restricting its competitive freedom to provide and take goods and services by such means and from and to such persons as it may think fit;

4.1.4 all business of the Company, other than routine day to day business, shall be undertaken and transacted by the Directors;

4.1.5 subject to the Business Plan, the business of the Company shall be carried on pursuant to policies laid down from time to time by the Directors;

4.1.6 the Company shall maintain with a well established and reputable insurer adequate insurance against all risks usually insured against by companies carrying on the same or a similar business and (without prejudice to the generality of the foregoing) for the full replacement or reinstatement value of all its assets of an insurable nature;

4.1.7 the Company allots and issues its shares and other securities at the best price reasonably obtainable in the circumstances;

4.1.8 the Company shall not acquire, dispose of, hire, lease, license or receive licences of any assets, goods, rights or services otherwise than at the best price reasonably obtainable in the circumstances

4.1.9 keep each of the Investors fully informed as to all material developments regarding the Company's financial and business affairs and will notify each of the Investors forthwith upon becoming aware

of any significant litigation affecting or likely to affect any member of the Group;

4.1.10 the Company shall prepare its accounts on an historical cost basis and shall adopt such accounting policies as may from time to time be generally accepted in the United Kingdom;

4.1.11 each accounting reference period of the Company shall be a period of 12 calendar months; and

4.1.12 if the Company requires any approval, consent or licence for the carrying on of its business in the places and in the manner in which it is from time to time carried on or proposed to be carried on the Company will use its best endeavours to maintain the same in full force and effect.

Part 5

Negative Undertakings

The Company shall not do any of the following without the prior written consent of an Investor Majority:-

1. make any variation in the authorised or issued share capital or subdivide or consolidate any of the share capital of the Company or create or grant options or other rights to subscribe for, or convert into, shares or the variation of such rights of any shares and, if the consent is given, make any such subdivision or consolidation or variation of rights without adjusting the rights of the Shares so that the Investors shall not be disadvantaged by such subdivision or consolidation or variation;

2. commence any winding up action or take any steps to dissolve the Company;

3. apply for listing of any of the shares of the Company or loan capital (if any) on the London Stock Exchange or the grant of permission by the London Stock Exchange for the same to be dealt in on the Alternative Investment Market of the London Stock Exchange or the admission of or the grant of permission for the same to be dealt in or any other investment exchange which is a recognised investment exchange for the purposes of the Financial Services and Markets Act 2000;

4. enter into any compromise or arrangement to which the Companies Act 1985 or the Insolvency Act 1986 applies;

5. make any alteration to the Memorandum or the Articles;

6. reduce the amount, if any, standing to the credit of the share premium account or capital redemption reserve fund or any other reserve except as expressly provided in the Articles or the articles of association of any relevant subsidiary undertaking (as defined in Section 736 of the Companies Act 1985) from time to time in force;

7. enter into or vary any service, secondment, consultancy or employment contract with any Founder or any person who in relation to any Founder is a connected person, as defined by section 839 of the Income and Corporation Taxes Act 1988) or vary the Remuneration thereunder or waive any breach thereof;

8. enter into or vary any contract or arrangement with any of the Founders or with any person who in relation to any Founder is a connected person (as defined above);

9. make any borrowing or assume any other indebtedness or liability in the nature of borrowing in excess of £[ ], or create any security over any asset of the Company or give a guarantee in each case securing amounts in excess of £[ ] ;

10 enter into any agreement or other arrangement for the sale or assignation or exclusive licensing of any material Intellectual Property belonging to the Company otherwise than on an arm's length basis in the ordinary course of business;

11 make any material change to the nature or scope of its business or commence the development of Intellectual Property and/or Software of any product which is not included in the Business Plan;

12 sell, transfer or otherwise dispose of or permit any third party to acquire, any share in the capital of a company which is for the time being a subsidiary of the Company;

13 sell or part with any other asset or any interest of the Company or any of its subsidiaries and the Company shall not or any of its subsidiaries be entitled to grant licences of the Intellectual Property Rights in the ordinary course of its business otherwise than on an arms length basis in the ordinary course of business;

14 provide any credit (other than normal trade credit);

15 make any distribution of its assets;

16 expand or develop its business through any company other than the Company or its wholly owned subsidiaries;

17 make any investment in, or subscribe for, purchase or acquire any share, debenture or mortgage or security of or any interest in another company;

18 allow the aggregate of remuneration payable by the Company and its subsidiaries to all the Directors in any one year to exceed £[ ];

19 cease the development by any Intellectual Property and/or Software in relation to the [ ] product";

20 change its auditors, accounting reference date or registered office;

21 acquire or make any investment in another company or business or incorporate any subsidiary;

22 appoint any new director or senior employee (meaning an employee whose rate of gross contractual salary is £[ ] per annum or more);

23 enter into any service agreement with any employee or director which is not terminable without payment of compensation on not more than 3 months' notice;

24 dismiss any of its senior employees (meaning an officer or an employee whose rate of gross contractual salary is £[ ] per annum or more) save in

circumstances where the Company is entitled to summarily dismiss that employee;

25 enter into any agreement which cannot be terminated by it without penalty within 12 months of its commencement;

26 enter into or vary any contract or arrangement (whether legally binding or not) with any of the Founders or any spouse or lineal descendants or siblings of any of the Founders;

27 give any guarantee, indemnity or security in respect of the obligations of any other person;

28 create or allow to subsist any Encumbrance over any of its assets;

29 borrow any money or obtain any advance or credit in any form other than normal trade credit or other than on normal banking terms for unsecured overdraft facilities or vary the terms and conditions of any borrowings;

30 lend any money to any person (otherwise than by way of deposit with a bank or other institution the normal business of which includes the acceptance of deposits) or grant any credit to any person (except to its customers in the normal course of business);

31 incur any material expenditure or liability of a capital nature (including, for this purpose, the acquisition of any asset under lease or hire purchase) save in respect of office machinery and equipment reasonably required in the ordinary course of its business;

32 sell, transfer, lease, license or in any way dispose of its business, undertaking or freehold or leasehold property or any part thereof or interest therein or (except in the ordinary course of business) do any of the foregoing with any other of its assets or any interest therein;

33 change the nature or scope of its business as carried on from time to time or commence any new business not being ancillary or incidental to such business;

34 enter into any partnership or joint venture with any other person;

35 enter into any material contract or arrangement outside the ordinary course of its business or whereby any person would or might receive remuneration calculated by reference to its income or profits;

36 pay any remuneration or expenses to any person other than as proper remuneration for work done or services provided or as proper reimbursement for expenses incurred in connection with its business;

37 make any gift or political or charitable donation;

38 commence any legal or arbitration proceedings (other than routine collection

of trade debts);

39 make any claim, disclaimer, surrender, election or consent of a material nature for tax purposes other than in the ordinary course of business;

40 factor or assign any of its book debts;

41 in respect of any of the matters referred to in this sub-clause, permit any power or authority of its directors to be delegated to any executive director or committee of directors or to any other person whatsoever.

The Company shall not without the prior written consent of the relevant Investor use in any publicity material or otherwise in connection with its trade or business that Investors name.

Part 6

Deed of Adherence

THIS AGREEMENT is made

BETWEEN

(1) [[ ] of [ ] (the "Transferring Shareholder");]

(2) [ ] LIMITED a company registered in[ ] with registered number [ ] and having its registered office at [ ] (the "Company")]; and

(3) [[ ] of [ ] (the "New Shareholder").

WHEREAS

(A) On [ ] 200[ ] the Transferring Shareholder, [others] and the Company entered into an agreement regulating certain rights and obligations of the parties in relation to the conduct and management of the business and affairs of the Company (the "Investment Agreement").

(B) By a transfer dated [ ] 200[ ] the Transferring Shareholder transferred [ ] shares of [ ] each in the capital of the Company to the New Shareholder.

(C) This Agreement is supplemental to and entered into in compliance with the Investment Agreement.

NOW IT IS HEREBY AGREED AS FOLLOWS:-

1 **DEFINITIONS AND INTERPRETATION**

1.1 **Interpretation**

In this Agreement, unless otherwise specified or the context otherwise requires:-

1.1.1 words and expressions defined (expressly or by reference) in the Investment Agreement shall have the same meaning;

1.1.2 headings shall not affect construction or interpretation;

1.1.3 obligations and liabilities assumed by more than one person are assumed jointly and severally unless otherwise specified; and

1.1.4 a "person" includes any individual, firm, company, corporation, body corporate, government, state or agency of state, trust or foundation, or any association, partnership or unincorporated body (whether or not having separate legal personality and wherever incorporated or

established) or two or more of the foregoing.

1.2 **Whole Agreement**

The Recitals to this Agreement form part of this Agreement and have the same full force and effect as if expressly set out in their entirety in the operative part of this Agreement.

2 COVENANT TO ADHERE

The New Shareholder hereby confirms that he has been supplied with a copy of the Investment Agreement and hereby irrevocably and unconditionally covenants with each of the other parties to the Investment Agreement from time to time to observe, perform and be bound by all the terms of the Investment Agreement which applied to the Transferring Shareholder and which are capable of applying to the New Shareholder and which have not been performed at the date of this Agreement to the intent and effect that the New Shareholder shall be deemed with effect from the date on which the New Shareholder is registered as a member of the Company to be a party to the Investment Agreement.

3 THIRD PARTY LIABILITIES

3.1 **Release of Transferring Shareholder**

The New Shareholder hereby undertakes with the Transferring Shareholder that he will enter into such guarantees and/or indemnities to third parties in connection with the Company and/or its business and affairs which the Transferring Shareholder may have entered into and shall use all reasonable endeavours to obtain the Transferring Shareholder's release and discharge therefrom as soon as reasonably practicable.

3.2 **Indemnity pending release**

Until such release and discharge is obtained the New Shareholder undertakes to indemnify the Transferring Shareholder and keep the Transferring Shareholder fully and effectively indemnified on demand against all liabilities which the Transferring Shareholder may incur in respect of such guarantees or indemnities.

4 WARRANTY

The New Shareholder represents and warrants that [it][he] has the requisite power and authority and has taken all necessary actions and has obtained (and there remain in full force and effect) all consents, approvals and authorisations necessary (if any) to authorise the execution and performance of this Agreement by it and that this Agreement will when executed and delivered constitute valid and enforceable obligations of [it] [him].

5 SURVIVAL OF OBLIGATIONS

Any provision of this Agreement which is expressed or intended to have effect on, or to continue in force after, the execution of this Agreement shall have such effect, or, as the case may be, continue in force, after such execution.

6 GENERAL

6.1 Costs

Each party shall pay its own costs and expenses incurred in connection with the entering into the execution of and performance of this Agreement.

6.2 Amendment

No amendment or variation of this Agreement shall be effective unless it is in writing and signed by or on behalf of each of the parties.

6.3 Further Assurance

The New Shareholder shall at his own cost do or procure to be done all such further acts and things and execute or procure the execution of all such other documents as may from time to time be required to give effect to the terms of this Agreement.

7 GOVERNING LAW AND JURISDICTION

7.1 Governing Law

This Agreement shall be governed by and construed in accordance with the law of Scotland.

7.2 **Jurisdiction**

The parties hereto submit to the exclusive jurisdiction of the Court of Session as regards any claim, dispute or matter arising out of or relating to this Agreement and its implementation or effect.

IN WITNESS WHEREOF these presents consisting of this and the preceding [ ] pages are executed as follows:-

by [ ]

....

in the presence of

....Witness

.... Full Name

.... Address

....

.... Occupation

by [ ] LIMITED/PLC
acting by

.... Director

.... Full Name

..…... Director/Secretary

.... Full Name

Part 7

Warranties

1 Interpretation

In this Schedule where the context admits:

'the Accounting Date'	means, being the date to which the last Accounts of the Company were made up;
'Intellectual Property'	means patents, trade marks, service marks, registered designs, applications for any of the foregoing, copyright, design rights, data-base rights, know-how, confidential information, trade secrets, trade and business names and any other similar protected rights in any country;

2 Share Capital

There are no outstanding options, warrants, rights, mortgages, charges, pledges, liens, agreements, calls, commitments or demands of any character or other form of security or encumbrance relating to the share capital of the Company and there are no securities convertible into or exchangeable for any of such share capital and there is no agreement or commitment to give or create any of the foregoing and no person has made any claim to be entitled to any of the foregoing.

3 Business Plan and Information

3.1 The Business Plan has been prepared with due care and consideration and so far as the Founders are aware there are no circumstances which would make invalid any of the assumptions used in its preparation or any of its targets unachievable

3.2 The facts set out in the Recitals and Parts 1, 2 and 3 of the Schedule, and the Disclosure Letter, true and accurate in all material; respects and so far as the Founders are aware there are no other facts or matters which would render any such facts misleading.

3.3 All facts and information concerning the Company material for disclosure to an intending investor have been disclosed to the Investors or their professional advisors.

4 Accounts

4.1 The Accounts show a true and fair view of the of the Company at the Accounting Date and its profits for the accounting reference period ended on that date, have been prepared in accordance with generally accepted accounting principles, were not affected by any extraordinary, exceptional or non-recurring item and comply with the requirements of all applicable legislation and Financial Reporting Standards and other accounting standards applicable to a United Kingdom company; and no changes in the basis of accounting were made during the said accounting reference period or have been made since the Accounting Date.

4.2 Since the Accounting Date:

4.2.1 no dividend or other distribution has been declared, paid or made by the Company;

4.2.3 there has been no material adverse change in the financial or trading position or prospects of the Company; and

4.2.5 the business of the Company has been carried on in the ordinary and normal course and so as to maintain the same as a going concern.

4.3 The books of account, minute books, registers and records of the Company have been maintained by the Company, are in its possession and contain materially accurate information.

4.4 The Financial reports which have been delivered by the Founders to the Investors, copies of which are attached to the Disclosure letter, are in all material respects reasonably accurate.

5 Taxation

5.1 The Accounts make full provision for all taxation for which the Company was then or thereafter became or may hereafter become liable or accountable in respect of or by reference to any income, profit, receipt, gain, transaction, agreement, distribution or event which was earned, accrued, received, realised, entered into, paid or made on or before the Accounting Date and proper provision was made therein for deferred taxation in accordance with generally accepted accounting principles and the Company has promptly paid or fully provided in its books of account for all taxation for which it has or may hereafter become liable or accountable in or in respect of the period from the Accounting Date to the date hereof.

5.2 Save as provided for in the Accounts, there is no liability for taxation which would arise on the Company ceasing to trade or on its ceasing to use or occupy any asset for the purposes of its trade or on its disposing of any asset at its book value as shown in the Accounts or which might arise as a result of the execution or completion of this Agreement or which might arise in the event of any other person failing to pay any taxation charged, assessed or payable by him (including any liability which might arise as a combined result of two or more such events) but excluding any liability which would arise solely as a result of the realisation of trading stock or work in progress by the Company in the ordinary course of its business and no material changes have occurred since the Accounting Date which might result in any such liability.

5.3 The Founders are not aware of any circumstance which will or may, whether by lapse of time or the making of any claim or otherwise, give rise to any dispute with any relevant taxation authority in relation to its liability or accountability for taxation, any claim made by it, any relief, deduction or allowance afforded to it, or in relation to the residence or status or character of the Company under or for the purpose of any provision of any legislation relating to taxation.

5.4 Since the Accounting Date no further liability or contingent liability for taxation on the Company has arisen or is likely to or will arise otherwise than as a result of transactions (not including distributions) entered into by the Company in the ordinary course of trading after the Accounting Date.

5.5 The Company is not liable and has not since the Accounting Date been liable to pay any interest, penalty, fine or sum of a similar nature in respect of taxation.

5.6 The Company has duly complied with all requirements imposed on it by any legislation relating to taxation and in particular has properly kept all records and documents so required to be kept, has properly and punctually made all returns and provided full and complete information to the Inland Revenue, Customs and Excise and any other body concerned as so required, has paid all taxation charged, assessed, levied or payable in accordance with applicable legislation as and when it became due and has deducted taxation from all payments where the law requires such deduction and (where required by law) has accounted to the Inland Revenue or other fiscal body for the taxation so deducted.

6 Assets and trading

6.1 The Company has possession and control of all its assets (including its leasehold property interests) and there is not now outstanding any Encumbrance (or agreement to grant any Encumbrance) over the whole or any part of the undertaking property or assets of the Company.

6.2 None of the freehold or leasehold properties owned, used or occupied by the Company are affected by any covenant or restriction of an unusual or onerous nature or which may prejudicially affect the Company's use thereof for the

purposes which they are now or are proposed to be used and all covenants and conditions affecting such properties have been complied with. Save as disclosed in the Disclosure Letter the Company does not own, use or occupy any freehold or leasehold property.

6.3 The Founders have no knowledge of the invalidity of or grounds for rescission avoidance or repudiation of any agreement or other transaction to which the Company is a party and the Company has received no notice of any intention to terminate any such agreement or repudiate or disclaim any other transaction.

6.4 There are no agreements in force restricting the competitive freedom of the Company to provide and take goods and services by such means and from and to such persons as it may from time to time think fit.

6.5 The business of the Company has not been materially and adversely affected by the loss of any important customer or source of supply or by any abnormal factor not affecting similar businesses to a like extent and so far as the Founders are aware there are no facts which are likely to give rise to any such effect.

6.6 Save as expressly mentioned herein the Company is not and has not since its incorporation been the holder or beneficial owner of any share, debenture, mortgage or security (or interest therein) or a member of any partnership or unincorporated association.

6.7 There are no liabilities (including contingent liabilities) which are outstanding on the part of the Company other than those liabilities disclosed in the Accounts or incurred, in the ordinary and proper course of trading, since the Accounting Date.

6.8 The Company is not insolvent or unable to pay its debts as and when they fall due nor is it involved in any liquidation or insolvency proceedings.

6.9 No expenses or liabilities have been incurred or assumed by the Company otherwise than for the proper purposes of its business.

6.10 The Company has not manufactured, acquired, sold or supplied products which are or were or so far as the Founders are aware will become in any material respect faulty or defective or which do not comply in any material respect with any warranties or representations expressly or impliedly made by it or with all applicable regulations, standards and requirements in respect thereof.

7 Constitution and compliance with laws

7.1 The Company has at all times carried on its business and affairs in all material respects in accordance with its memorandum and articles of association and has been granted and there are now in force all necessary approvals, consents and licences for the carrying on of its business in the places and in the manner

in which it is now carried on or proposed to be carried on and none of the Warrantors is aware of any circumstances which evidence or indicate that any such approvals, consents or licences are likely to be suspended, cancelled or revoked or not renewed in the ordinary course of business.

7.2 All registers required to be kept by the Company under the provisions of the Companies Act are true and materially accurate and the copy of the memorandum and articles of association of the Company supplied to the Investor's solicitors is true and accurate.

7.3 All returns, particulars, resolutions and other documents required to be filed with or delivered to the Registrar of Companies in respect of the Company have been properly and timeously filed or delivered.

7.4 The Company has performed all obligations required to be performed by it with respect to or affecting its business, employees and assets and so far as the Founders are aware it is not in default under any laws, regulations, orders, contracts, agreements, licences or obligations of whatsoever nature binding upon it or which affect its assets or employees or the operations of its business.

7.5 No officer of the Company is or has been subject to any bankruptcy proceedings or is or has been the officer of any company which has been the subject of liquidation or insolvency proceedings.

7.6 The Company has not exercised or purported to exercise or claimed any lien or right of forfeiture on or against any of the issued shares of the Company.

8 Capital commitments and contracts

8.1 The Company does not have any material capital commitments.

8.2 The Company is not a party to any contract entered into otherwise than in the ordinary and usual course of business or otherwise than on arm's length terms.

8.3 The Company is not a party to any hire, hire purchase, credit sale or conditional sale agreement or any contract providing for payment on deferred terms.

8.4 The Company is not in breach of any of its obligations under any deed, agreement or transaction to which it is a party.

8.5 There is no Encumbrance on, over or affecting the issued or unissued share capital of the Company and except as herein provided there is no agreement or commitment to give or create any such and no claim has been made by any person to be entitled to any such.

8.6 The Company has not given any guarantee indemnity or security for or otherwise agreed to become directly or contingently liable for any obligation of any other person and no person has given any guarantee of or security for any obligation of the Company.

8.7 There are in force no powers of attorney given by the Company and no person, as agent or otherwise, is entitled or authorised to bind or commit the Company to any obligation not in the ordinary course of the Company's business.

8.8 The Company has not applied for or received any grant or allowance which is now liable or so far as the Founders are aware may in the future become liable to be repaid.

9 Litigation

9.1 Apart from normal debt collection, neither the Company nor the Founders nor any person for whose acts or defaults the Company may be vicariously liable is involved in any civil, criminal or arbitration proceedings and no such proceedings and no claims of any nature are pending or threatened by or against the Company or the Founders or any such person or in respect whereof the Company is liable to indemnify any party concerned and so far as the Founders are aware there are no facts likely to give rise to any such proceedings.

9.2 There is no dispute with any revenue or other official department in the United Kingdom or elsewhere in relation to the affairs of the Company and so far as the Founders are aware there are no facts which may give rise to any such dispute.

10 Employees and consultants

10.1 Full particulars of the identities, dates of commencement of employment or engagement and terms and conditions of employment or engagement of all the officers and employees of the Company and of all individuals who have contracts for services with the Company (including, without limitation, pension schemes and arrangements, share incentive and option schemes, profit sharing, commission, discretionary bonus and fee arrangements) are fully and accurately set out in the Disclosure Letter.

10.2 No employee of the Company whose gross contractual remuneration deed, exceeds £[ ] per annum has been dismissed in the last six months or has given notice of termination of his employment or has indicated that he wishes to leave the Company.

10.3 The copy contracts delivered to the Investor or its solicitors are the specimen forms of contract under which all the officers, employees and consultants of the Company at the date hereof are engaged.

10.4 The assets held under the trusts of any retirement benefit scheme operated by the Company are sufficient to satisfy the liabilities thereof on the basis of reasonable actuarial and financial assumptions (including assumptions as to future salary levels where benefits are to be calculated by reference thereto).

11 Debts and loan facilities

11.1 Save as disclosed, there are no debts owing by or to the Company other than debts which have arisen in the ordinary course of business, nor has the Company lent any money which has not been repaid.

11.2 All book debts of the Company outstanding at the date hereof (except in so far as they may have been adequately provided for in the Accounts as bad or doubtful debts) will so far as the Founders are aware be good and collectable in the ordinary course of business.

11.3 Full and accurate details of all overdrafts, loans or other financial facilities outstanding or available to the Company are contained in the Disclosure Letter.

11.4 Having regard to existing loan or other financial facilities, the Company has sufficient working capital for the purposes of continuing to carry on its business in its present form and at its present level of turnover for the foreseeable future.

11.5 The Company is not in default under any instrument constituting any indebtedness or under any guarantee of any indebtedness and there is no reason why any such indebtedness or guarantee should be called or the liabilities thereunder accelerated before their due date (if any) or any loan facilities terminated.

12 Insurance

12.1 The Company has now and has at all times maintained adequate insurance against all risks usually insured against by companies carrying on the same or a similar business and (without prejudice to the generality of the foregoing) for the full replacement or reinstatement value of all its assets of an insurable nature and against accident, damage, injury, third party loss (including product liability) and loss of profits with a well established and reputable insurer and will continue to maintain such insurance in force during the continuance of this Agreement.

12.2 The Company has not done or suffered anything to be done which has or might render any policies of insurance taken out by it void or voidable or which may result in an increase in premiums.

12.3 The Company has complied with all conditions attached to such policies and there is no claim outstanding under any of such policies nor are there any circumstances likely to give rise to a claim.

12.4 There are no claims outstanding, pending or threatened against the Company by any third party or employee in respect of any liability, accident or injury which are not fully covered by insurance.

13 Intellectual property

13.1 All Intellectual Property registered in the name of the Company or used or required to be used by the Company is beneficially owned by it and not subject to any agreements or licences affecting the same or is not subject to any claims from employees or others and is valid and subsisting and not subject to revocation and all requisite registration and renewal fees in respect thereof have been duly and timeously paid.

13.2 All agreements and licences for the use by the Company of any Intellectual Property not registered in its name or beneficially owned by it are disclosed in the Disclosure Letter and are valid and subsisting and so far as the Founders are aware the Company is not in breach of any of the provisions thereof.

13.3 So far as the Founders are aware, no person is infringing any Intellectual Property registered in the Company's name or in which the Company has a beneficial interest.

13.4 The Company has not entered into any agreement or arrangement for the provision or acquisition of any know-how or technical information or assistance or which prohibits or restricts the disclosure of any know-how or technical information The Company owns or has valid licences to all the Intellectual Property rights in the Software and other Intellectual Property rights used by the Company. All intellectual Property rights of the Company are in full force and effect and are free from encumbrances.

13.5 Save in respect of Software licensed to the Company, the Founders or the other employees of the Company were the sole creators or developers of the Software and were not employed by any person (other than the Company) at the time they developed or made the Software. The Founders have assigned all the Intellectual Property rights they may have in the Software to the Company.

13.6 The Company is not bound by an obligation of confidentiality (which would adversely affect or restrict the marketing of the Software) or non-competition imposed by a third party.

13.7 So far as the Founders are aware, neither the Software, nor the Intellectual Property rights claimed by the Company, nor any other techniques, processes, discoveries, creations, inventions or works owned by the Company infringe any other person's Intellectual Property rights, nor so far as the Founders are aware, does the Company's use of any third party software infringe that third party's Intellectual Property rights.

13.8 The Founders are not aware of any dispute or third party claim (whether relating to purported or actual infringement of third party Intellectual Property rights or otherwise) or threatened dispute or claim or any facts which may give rise to a dispute or claim in relation to the Software or any part thereof or the Intellectual Property rights therein. Nor, so far as the Founders are aware, is any other Intellectual Property of the Company being claimed or attacked by a third party.

13.9 So far as the Founders are aware, no person is infringing any Intellectual Property rights in the Software or otherwise registered in the Company's name or in which the Company has a beneficial interest.

14 Computer systems

The Company either owns or has a perpetual licence to use all computer programs presently used by it, is not in breach of the terms of any such licence, owns or has unfettered access to all documents, programs (including source codes) and data necessary to enable the Company properly to maintain and modify such programs without the consent of any third party, has not suffered any material breakdown of' or difficulties in using any computer hardware or software presently used by it, keeps full security copies of all computer programs and data presently used by it in accordance with best computing practice and all of the computer programs which the Company owns or uses are Year 2000 compliant.

15 Interests of Founders

15.1 The Founders and their associates either individually, collectively or with any other person are not directly or indirectly interested in (in any way whatsoever) any contract or arrangement with the Company (other than their respective service contracts) or any Intellectual Property not owned by the Company or in any business which is competitive with any business carried on by the Company.

15.2 Neither the Founders nor any of the officers or employees (or former officers or employees) of the Company nor any of their associates have any claim, demand or right of action against the Company otherwise than for accrued remuneration in accordance with their contracts of employment.

16 Consequences of subscription

Compliance with the terms of this Agreement does not require the consent or agreement of any person who is not a party to this Agreement, and so far as the Founders are aware will not cause the Company to lose any interest in or the benefit of any contract, asset, right, licence or privilege it presently owns or enjoys, will not relieve any person of any obligation to the Company, will not cause the Company or any of the Founders to be in breach of any of their respective obligations, will not result in any present or future indebtedness of the Company becoming due prior to its stated maturity and will not give rise to or cause to become exercisable any option or right of pre-emption, conversion or termination and so far as the Founders are aware the attitudes or actions of customers, prospective customers and other persons towards the Company will not be prejudicially affected thereby.

17 Capacity

17.1 The Founders and the Company have full power to enter into and perform their obligations under this Agreement and the agreements and deeds to be entered into pursuant hereto which will, when executed, constitute binding obligations on the Founders and the Company in accordance with their terms.

17.2 None of the Founders has ever had a trustee or interim trustee in sequestration appointed to their estate or has had any criminal convictions (other than for non imprisonable breaches of the road traffic regulations).

18 Subsidiaries

The Company has no and never has had any subsidiary companies.

19 Qualified warranties

Where any of the statements set out above in this Schedule is qualified by the expression 'to the best of the knowledge, information and belief of the Warrantors' or 'so far as the Warrantors are aware' or any similar expression that statement shall be deemed to include an additional statement that it has been made after due and careful enquiry.

INVESTMENT AGREEMENT

among

(1) [ ]

(2) SCOTTISH ENTERPRISE AND OTHERS

and

(3) [ ] LIMITED

2005

Wright, Johnston & Mackenzie LLP
Solicitors
40 Torphichen Street
Edinburgh EH3 8JB

DX ED 129 FAS 8856

(Ref:)